

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:101
ANSWERED ON:25.04.2016
Price of Drugs Manufactured in SEZs
Gandhi Shri Feroze Varun

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has discussed with the Ministry of Health & Family Welfare the increase of Price of drugs manufactured in Special Economic Zones (SEZs) of the country by 22% as it negates the purpose of SEZs;
- (b) if so, the details and the outcome thereof along with steps being taken by Government to nullify the effect of withdrawal of exemption for SEZs; and
- (c) if not, the reasons for not discussing the issue as such price disruption makes SEZs less competitive in nature?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) to (c): Ministry of Finance (Department of Revenue) vide G.S.R. No. 124(E) dated the 28th January, 2016 has withdrawn the exemption/ concessional customs duties on 76 specified drugs so as to eliminate the disadvantage to the domestic manufacturers of such drugs resulting that these 76 imported drugs (including those cleared from Special Economic Zone to domestic tariff area) would attract applicable customs duties.

Subsequently, in order to assess the impact of withdrawal of customs duties exemption / concession on these drugs, a Committee comprising of representatives of Ministry of Health & Family Welfare, Department of Pharmaceuticals, Director General of Health Services, Department of Revenue, National Pharmaceutical Pricing Authority, Central Drugs Standards Control Organization, National AIDS Control Programme and experts from All India Institute of Medical Sciences, Safdarjung Hospital and Ram Manohar Lohia Hospital was constituted in the Ministry of Health and Family Welfare. On the recommendation of Ministry of Health and Family Welfare exemption/ concession of customs duties on three drugs, namely, Octreotide; Somatropin; and Anti-Haemophilic factor concentrate VIII & IX has been restored vide Ministry of Finance (Department of Revenue) notification G.S.R. No. 177(E) dated 17th February, 2016.
